



PSC NEWS

Missouri Public Service Commission

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PSC DETERMINES INTERIM RATES SHOULD BE MADE PERMANENT

Jefferson City (June 27, 2002)---The Missouri Public Service Commission has determined the Osage Water Company has complied with conditions associated with a water rate increase on March 29, 2001. As a result, interim rates in effect since March 2001 will become permanent.

“The rates that customers currently pay for water service from the Osage Water Company will not change under the Commission’s decision,” stated Dale Johansen, Manager of the PSC Water & Sewer Department.

On March 29, 2001, the Missouri Public Service Commission issued an order which authorized the Osage Water Company to increase water revenues by approximately \$54,300 a year. However, the water rate increase was implemented on an interim basis due to concerns the Commission had regarding the quality of service provided by the Osage Water Company.

The Commission noted in its March 20, 2001 order that the public interest required the water company’s rate increase be made interim until measures in the rate case disposition agreement, designed to protect Osage Water Company customers, have been accomplished.

Under the terms of the rate case disposition agreement, the Osage Water Company is to: 1) maintain its books and records in a manner whereby all revenues, expenses and plant balances will be properly assigned to each of the Company’s separate certificated service areas; 2) terminate operation and service to all non-PSC regulated systems; 3) install water meters for condominium units at Cedar Glen Condominium and Harbour Bay Condominium; 4) install a master meter for each of its existing wells; and 5) discontinue billing anyone for contract management service.

Over the past 15 months, the Staff of the Missouri Public Service Commission has submitted several reports for Commission review, which have outlined progress made by the Osage Water Company. “We have closely monitored the progress of the water company to ensure that they have complied with the conditions set forth in the disposition agreement,” stated Johansen. “Osage Water

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Company has complied with the conditions and the Staff therefore recommended that the interim rates be made permanent. We will continue to monitor the water company to ensure the company continues to meet its obligation of service to its customers,” stated Johansen.

The Osage Water Company serves approximately 220 water customers near Osage Beach, Missouri.

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Case No. WR-2000-557